XTO ENERGY

June 19, 2007

State of Utah
Division of Oil, Gas & Mining
PO Box 145801
Salt Lake City UT 84114-5801

RE: Directional Drilling R649-3-11
State of Utah 16-8-31-33D 1147' FSL x 1873' FWL (surface)
1980' FSL x 1980' FEL (bottomhole)
Sec 31, T16S, R8E, SLB&M, Emery County, Utah

To Whom It May Concern:

Pursuant to the filing of XTO Energy Inc. Application of Permit to Drill regarding the above referenced well on June 19, 2007, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- XTO Energy Inc. is permitting this well as a directional drill well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, XTO will be able to utilize the existing road and pipelines along with the use of an existing well pad in the area.

- Furthermore, the location of this well and its wellbore is no closer than 460 feet from the unit boundary or an uncommitted Federal or un-leased tract with the Unit Area. XTO Energy Inc. is the sole owner within 460 feet of the entire directional wellbore.

Therefore, based on the above stated information XTO Energy Inc. requests the permit be granted pursuant to R649-3-11.

Regards,

Kyla Vaughan
Regulatory Compliance

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
ML-48229	State

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: ~~N/A~~ Huntington CBM

2. NAME OF OPERATOR: XTO Energy, Inc.

9. WELL NAME and NUMBER: State of Utah 16-8-31-33D

3. ADDRESS OF OPERATOR: 2700 Farmington Ave. CITY Farmington STATE NM ZIP 87401

PHONE NUMBER: (505) 324-1090

10. FIELD AND POOL, OR WILDCAT: Ferron Sandstone / Buzzard Bench 32

4. LOCATION OF WELL (FOOTAGES) 493954X 4359233Y 39.384434 -111.070204

AT SURFACE: 1147' FSL x 1873' FWL

AT PROPOSED PRODUCING ZONE: 1980' FSL x 1980' FEL -111.064417
NWSE 494452X 4359485Y 39.386714

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 31 16S 8E S

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 7 miles Northwest of Huntington, Utah

12. COUNTY: Emery

13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
2000'	665.63	160
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
1000'	4,715	UTB-000138
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
6422' Ground Elevation	8/30/2007	2 weeks

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
14.75"	11.75"	H-40	42#	300	Type V	+/- 162 sx	1.61 ft3/sx	14.2 ppg
8.75"	5.5"	J-55	15.5#	4,715	CBM light wt - lead	+/- 80 sx	4.15 ft3/sx	10.5 ppg
					CBM light wt - tail	+/- 152 sx	1.81 ft3/sx	13.5 ppg

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Kyla Vaughan TITLE Regulatory Compliance Tech

SIGNATURE Kyla Vaughan DATE 6/19/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-015-30718

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL:

Date: 08-04-07
By:

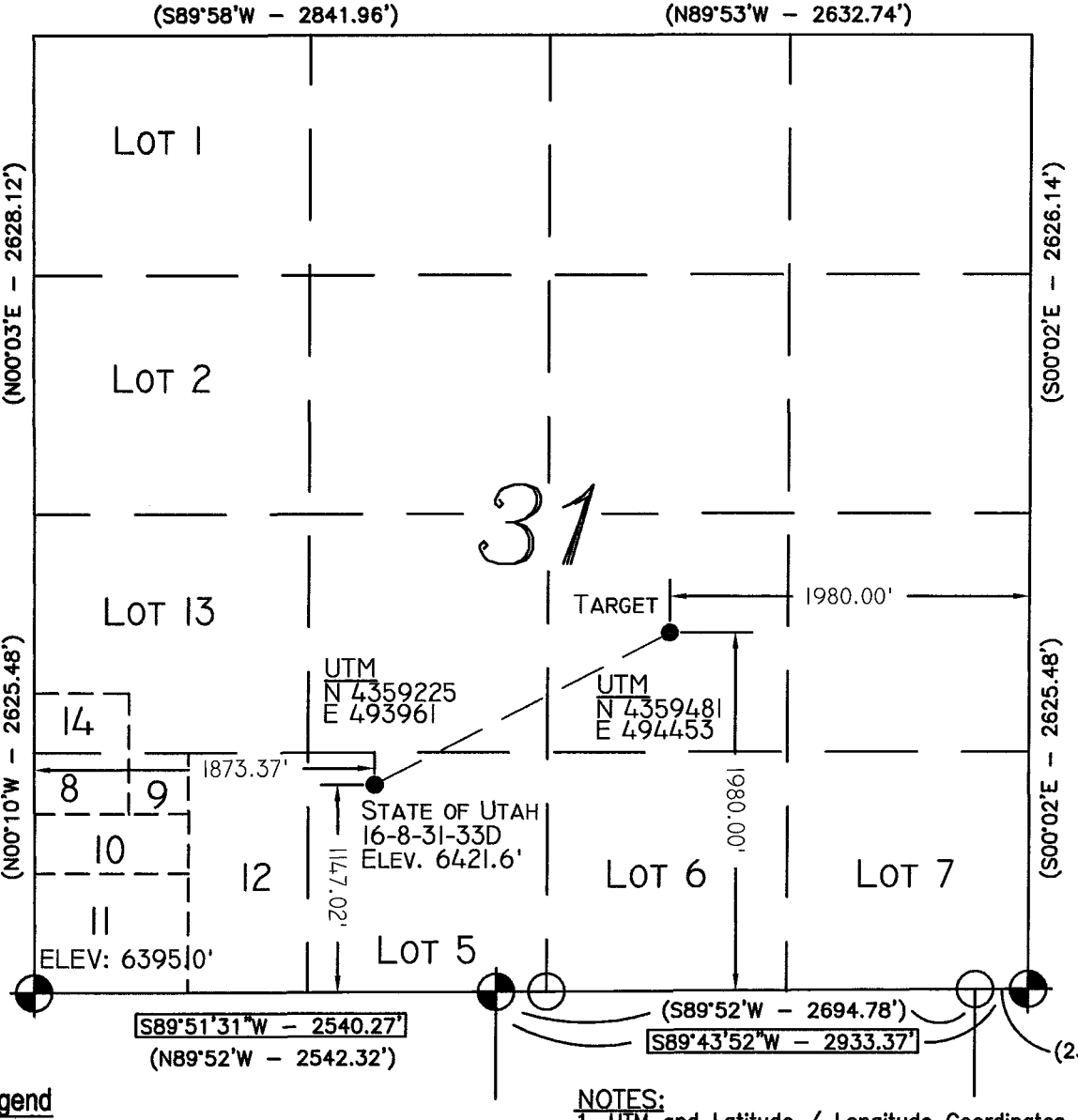
(See Instructions on Reverse Side)

(11/2001)

RECEIVED
JUN 22 2007
DIV. OF OIL, GAS & MINING

Range 8 East

Township 16 South



Location:
The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 6395.0' being at the Southwest Section corner of Section 31, Township 16 South, Range 8 East, Salt Lake Base & Meridian, as shown on the Hiawatha Quadrangle 7.5 Minute Series Map.

Description of Location:
Surface
Proposed Drill Hole located in SE/4 SW/4 of Section 31, T16S, R8E, S.L.B.&M., being North 1147.02' from South Line and East 1873.37' from West Line of Section 31, T16S, R8E, Salt Lake Base & Meridian.

Target
Proposed Target located in NW/4 SE/4 of Section 31, T16S, R8E, S.L.B.&M., being North 1980.00' from South Line and West 1980.00' from East Line of Section 31, T16S, R8E, Salt Lake Base & Meridian.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

Registered Land Surveyor
6/6/07
No. 146652
Albert J. Spensko
State of Utah

Legend
- Drill Hole Location
- Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- Rock Pile
- ( ) GLO
- GPS Measured

NOTES:
1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

SURFACE	TARGET
LAT / LONG	LAT / LONG
39°23'03.716" N	39°23'12.032" N
111°04'12.433" W	111°03'51.875" W

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

TALON RESOURCES, INC.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

XTO ENERGY

STATE OF UTAH 16-8-31-33D
Section 31, T16S, R8E, S.L.B.&M.
Emery County, Utah

Drawn By:	Checked By:
N. BUTKOVICH	L.W.J./A.J.S.
Drawing No.	Date:
A-1	6/5/07
	Scale: 1" = 1000'
Sheet 1 of 3	Job No. 2876

Application for Permit to Drill
Surface Use Plan

Company: XTO Energy, Inc
Well No: State of Utah 16-8-31-33D
Location: 1147' FSL & 1873' FWL, Section 31, T16S, R8E

Thirteen Point Surface Use Plan

The dirt contractor will be provided an approved copy of the surface use plan of operations before starting construction.

1. Existing Roads

   a. Proposed route to location: The proposed route to location is shown on Exhibit "A" and is from the Hiawatha Quadrangle 7.5 minute series USGS quadrangle map.

   b. Location of proposed well in relation to town or other reference point: From Huntington, Utah, go West on Hwy 31 6.2 miles to County Road 303 and turn right, Continue 1.1 miles staying right to the 32-144 well pad. Turn left on access road and go 0.6 miles to existing pad location.

   c. Contact the County Road Department for use of County Roads: No county road permits should be required.

   d. Plans for improvement and/or maintenance of existing roads: All existing roads within 1 mile of the drill site are shown on Exhibit "B". All roads that will be used to the well location will be maintained to their current conditions are better.

   e. Other Comments: None

2. Planned Access Roads

   a. Location of Access Road: Starting from a point along an existing road in the SW/4 of Section 31, T16S, R8E.

   b. Length of New Road: 0' of road will need to be constructed to access this location.

   c. Length of Existing Road to Upgrade: No existing roads should need upgrades to access this location.

   d. Maximum Disturbed Width: Typically new access roads require up to 60' of disturbed width which includes ROW for gas and water pipe lines and electric service.

e. Travel Width of Access Road: 25' or less.

f. Maximum Grade after Construction: Maximum grades will not exceed 10% after construction.

g. Turnouts Planned: No Turnouts are planned at this time.

h. Surface Materials: Only native materials will be used if additional construction is required. If necessary, gravel or rock maybe purchased and used to improve road conditions and travel.

i. Drainage (crowning, ditching, culverts, etc.): Roads will be re-crowned and bar ditches, if necessary, will be located on either side. 18"-24" culverts will be installed as necessary.

j. Cattle Guards: No cattle guards are planned at this time. If necessary, cattle guards will be specified in the stipulations.

k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM/State/Fee right of way is required: None.

l. Other:

   i. Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by the State of Utah in Advance.

   ii. If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

   iii. If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of the boundary adjustment. Rental fees, if appropriate, shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

   iv. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the State of Utah will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the State of Utah.

v. If the well is not productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Field Office Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells:

   a. On a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: See Exhibit "B".

4. Location of Production Facilities:

   a. On-Site facilities: Typical on-site facilities will consist of a wellhead, gas flow line, water flow line, artificial lifting system (pumping unit), 2 phase separator, gas measurement, water measurement, electronics, a heated enclosure/building for weather and environmental protection and chemical injection equipment (as required). All production and measurement shall conform to the provisions of 43 CFR § 3162.7 and Onshore Oil and Gas Order No. 4, if applicable.

   b. All permanent (in place for six months or longer) structures constructed or installed on the well site location will be painted a flat, non reflective color to match the standard environmental colors, as specified by the COA's in the APD. All facilities will be painted within six months of installation. Facilities required complying with the Occupational Safety and Health Act (OSHA) may be excluded.

   c. Off-site facilities: Off-site facilities are located at the CDP station and include compression, processing, separation, tanks, pits, electronics, and produced water disposal (SWD) well.

   d. Pipelines: The well will be produced into gas and water pipelines (sizes to be determined) and transported to existing pipelines. Existing lines are currently in place.

   e. Power lines: Power lines are located underground in the same ROW as the water and gas pipelines.

5. Location and Type of Water Supply:

   a. All water required for drilling will be purchased from local municipal water supply. If possible, currently produced coal well water may also be used after receiving any necessary permits. Water will be trucked to location by a third party trucking company who specializes in water hauling.

   b. Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of land.

6. Source of Construction Material:

    a. Pad construction material will be obtained from (if the source is Federally owned, show location on a map): All construction material will be purchased from private land owners or from a commercial gravel/materials pit. The use of materials will conform to 43 CFR § 3610.2-3, if applicable.

    b. The use of materials under State of Utah jurisdiction will conform to 43CFR § 3610.2-3, if applicable.

7. Methods of Handling Waste Disposal:

    a. Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc. The reserve pit will be located along the edge and within the boundaries of the designated well pad. The walls of the pit will be sloped at no greater than 2 to 1 and will be lined with a synthetic material of approximately 12 mills in thickness. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the pit will be fenced before drilling starts. The forth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. The amount of time the pit way remain open will typically be specified by the COA's. Once dry, the liner will be cut and removed at the mud line and the pit will be covered and buried in place.

    b. Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than the completion of drilling operations.

    c. Sewage from trailers and chemical portable toilets will be removed on a regular basis by a third party contractor and disposed of at an authorized sanitary waste facility.

    d. Any and all chemicals used during the drilling and completion of the well will be kept to a minimum and stored within the boundaries of the well pad. The third party chemical contractor will be responsible for containment and clean-up and removal of all spilled chemicals on location.

8. Ancillary Facilities:

    a. No ancillary facilities will be required during the drilling or completion of the well.

9. Well Site Layout:

    a. Depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'. See Exhibit "C".

    b. All equipment and vehicles that will be used to drill and complete this well will remain within the boundaries of the approved well pad. Any equipment and or vehicles parked or stored off the location will be considered trespassing on federal lands and will NOT be tolerated.

c. Materials obtained from the construction of the location, like topsoil and vegetation will be stock piled as indicated and permitted by the approved APD. The stock piles themselves may be outside the approved boundaries of the well pad.

10. Plans for Restoration of the Surface:

a. The top 6 inches of topsoil material will be removed from the location and stockpiled separately on Adjacent Land or as specified by the approved APD.

b. Topsoil along the access road will be reserved in place adjacent to the road.

c. Within 30-45 days after completion of well, all equipment that is not necessary for production shall be removed.

d. The reserve pit and that portion of the location not needed for production will be reclaimed 90-120 days after completion of the well.

e. Before any dirt work to restore the location takes place, the reserve pit must be ready for burial.

f. All road surfacing will be removed prior to the rehabilitation of roads.

g. Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

h. All disturbed areas will be re-contoured to replicate the natural slope.

i. The stockpiled topsoil will be evenly distributed over the disturbed area.

j. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

k. Seed will broadcast or drilled between September and November, or at a time specified by the BLM and or state. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

l. The following seed mixture will be used: As specified conditions of approval.

m. If necessary, and abandonment marker will be one of the following, as specified by the State of Utah:

i. At least four feet above ground level,
ii. At restored ground level, or
iii. Below ground level.
iv. In any case the marker shall be inscribed with the following: operator name, lease number, well name and description (township, section, range, and either quarter-quarter or footages).

n. Additional requirements: None

11. Surface and Mineral Ownership:

    Both the Surface and the minerals are owned by the State of Utah.

12. Other Information:

    a. Archeological Concerns: An approved contractor will submit the appropriate reports to the agency as required. Special stipulations will be included in the COA's of the approved APD.

    b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the State of Utah Field Office. Within five (5) working days, the State of Utah will inform the operator as to:

        i. Weather the materials appear eligible for the National Register of Historic Places;
        ii. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
        iii. A time frame for the State of Utah to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the State of Utah are correct and that mitigation is appropriate.

    c. If the operator wishes, at any time, to relocate activities to avoid the expenses of mitigation and/or the delays associated with this process, the State will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The State of Utah will provide technical and procedural guidelines for the conduct of mitigation. Upon Verification from the State of Utah that the required mitigation has been completed, the operator will then be allowed to resume construction.

    d. Threatened and Endangered Species Concerns:

        i. An approved contractor will submit the appropriate reports as required. Special Stipulations will be included in the COA's of the approved APD.

    e. Wildlife Seasonal Restrictions: Current wildlife restrictions and closure dates are specified in the BLM's Environment Impact Statement.

13. The Drilling Program is attached: See Exhibit "D".

XTO Energy, Inc.

State of Utah 16-8-31-33D
Drilling Data for APD
June 19, 2007

Surface Location: 1147' FSL & 1873' FWL, Sec. 31, T16S, R8E
Bottomhole Location: 1980' FSL & 1980' FEL, Sec. 31, T16S, R8E

Proposed TD: 4715'
Approximate Elevation: 6422'

Objective: Ferron Coal
KB Elevation: 6434'

1. Mud Program:

Interval	0'-300'	300'-4715'
Hole Size	14.75"	8.75"
Mud Type	Fresh Water/Spud Mud	Air/LSND/Gel Chemical
Weight	N/A	8.4-8.6
Viscosity	N/A	45-60
Water Loss	N/A	8-10

a. Drill surface with Fresh Water/Spud Mud. If aeration becomes necessary, nipple up 20" rotating head.

b. Air drill to TD using produced water for mist fluid unless excessive water flow (more than can be lifted using available booster capacity) is encountered.

   i. If the water flow is fresh, switch to fresh water based LSND/Gel Chemical mud.
   ii. If the water flow is R_w>0.35 mix mud using produced water.
   iii. If mud is required, use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing.

c. The blooie line will be approximately 100' in length and will extend in a straight line from below the rotating head as indicated in the BOP schematic. An automatic spark-type igniter will be fixed to the end of the blooie line and set to provide a continuous spark to ignite and burn any produced hydrocarbons and/or gasses.

d. If necessary, de-dusting will be accomplished with a small pump, waterline, and spray nipple positioned near the end of the blooie line to provide a continuous spray of water.

EXHIBIT D

e. Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

f. The BOP system will be consistent with API RP53 and Onshore Oil & Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment subject to pressure will be conducted before drilling the casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated daily. Annular preventers shall be inspected an operated weekly to ensure good mechanical working order. The inspections and tests shall be recorded in the drilling log and daily drilling report. See the attached BOP and choke manifold schematic.

2. Casing Program:

a. Surface Casing set @ 300' in a 14.75" hole.

11.75,42 #/ft, H-40, ST&C, New, (11.084" ID, 10.928" Drift)					
Collapse Press	Burst Press	Joint Strength	SF Collapse	SF Burst	SF Tension
1070	1980	307	7.980	14.760	24.370

b. Production Casing set @ 4715' in a 8.75" hole.

5.5", 15.5 #/ft, J-55, ST&C, New, (4.950" I.D., 4.825" Drift)					
Collapse Press	Burst Press	Joint Strength	SF Collapse	SF Burst	SF Tension
4040	4810	202	1.920	2.280	2.760

Safety Factors based on vertical wellbore conditions with hydrostatic of fresh water with no backup used to calculate burst and collapse. Tension based on hanging weight in air.

3. Well Heads:

a. Casing Head: Larkin Fig 92 (or equivalent), 13-3/8" nominal, 3,000 psig WP (6,000 psig test) with 11-3/4" 8rnd thread on bottom and 13-3/8" Flange. NU BOP and choke manifold (see attached schematic). Stack to consist of drilling spool with choke and kill lines, double rams with pipe rams on top, blind rams on bottom. Use cold water and test BOP to 250 psi low and 1,000 psi high. Record all tests on the IADC report. Inspect accumulator and closing unit to ensure that pre-charge pressures and oil levels are within API Specifications and report same on IADC report.

b. Tubing Head: Larkin Fig 612 (or equivalent), 5,000 psig WP (5,000 psig test), 5 ½" SOW (or API 8 rnd female thread) on bottom, 7 $^{1}/_{16}$" 5,000 psig flange on top with two 3" LPOs.

EXHIBIT D

4. Cement Program:

    a. Surface: 162 sx of Type V cement (or equivalent) containing 1% CaCl, ¼ pps Flocele, and 10% Cal_Seal mixed at 14.2 ppg and 1.61 ft^3/sk.

        i. Slurry Volume is 260 ft^3, 200% excess of calculated annular volume to 300'.

    b. Production:

        i. The production casing will be cemented using 2 (lead and tail) cement slurries. The lead cement (filler grade) volume will be calculated based on a maximum achievable top assuming formation pressure of 1,000 psi at the shoe. The tail cement will be calculated from TD to 300' above the Upper Ferron Sandstone as indicated on the formation tops table.

        ii. Lead Cement: 80 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 10.5 ppg and 4.15 ft^3/sk.

        iii. Tail Cement: 152 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 13.5 ppg and 1.81 ft^3/sk.

        iv. Slurry volume is 604 ft^3, 40% excess of calculated annular volume to 1,000 psi hydrostatic over formation pressure.

        v. If fresh water is encountered in the Emery Sandstone, a DV/ECP tool will be run 50' below the logged base of the Emery Sandstone and it will be attempted to circulate the filler grade cement as used in the lead to surface from above the ECP.

5. Logging Program

    a. Mud logger: The mud logger will come on after surface pipe is set and will remain until TD. The mud will be logged in 10' intervals.

    b. Run Array Induction (if wet), compensated neutron, density, GR, caliper, SP (if wet), and Pe from TD to the bottom of the surface casing.

EXHIBIT D

6. Formation Tops:

Formation	Well Depth (TVD)
Top of Upper Ferron SS	3632
Top of Coal Zone	3642
Top of Lower Ferron SS	3792
Total Depth	4715

a. See Directional Plan for Formation Top MD's.

b. No known oil zones will be penetrated.

c. Gas bearing sandstones and coals will be penetrated from 3632' to 4715'.

d. No known fresh water zones will be penetrated. The gas bearing sandstones and coals may contain in-situ water.

e. No known mineral zones will be penetrated.

f. Any prospectively valuable minerals and all fresh water zones encountered during drill will be recorded, cased, and cemented. If possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to the appropriate agency.

g. Maximum anticipated bottomhole pressure is anticipated to be less than 1,500 psi.

h. No abnormal pressure, abnormal temperature, H2S, or other hazardous conditions are known to exist.

7. Company Personnel:

Name	Title	Office Phone	Mobile Phone
John Egelston	Drilling Engineer	505.564.6734	505.330.6902
Jerry Lacy	Drilling Superintendent	505.566.7914	505.320.6543
Joshua Stark	Project Geologist	817.885.2240	817.565.7158
Leonard West	Reservoir Engineer	817.885.2800	

EXHIBIT D

Operator Certification:

a. Permitting and Compliance:

Kyla Vaughan
Regulatory Compliance
XTO Energy Inc.
2700 Farmington Avenue, Bldg K, Ste 1
Farmington, NM 87401
505-324-1090

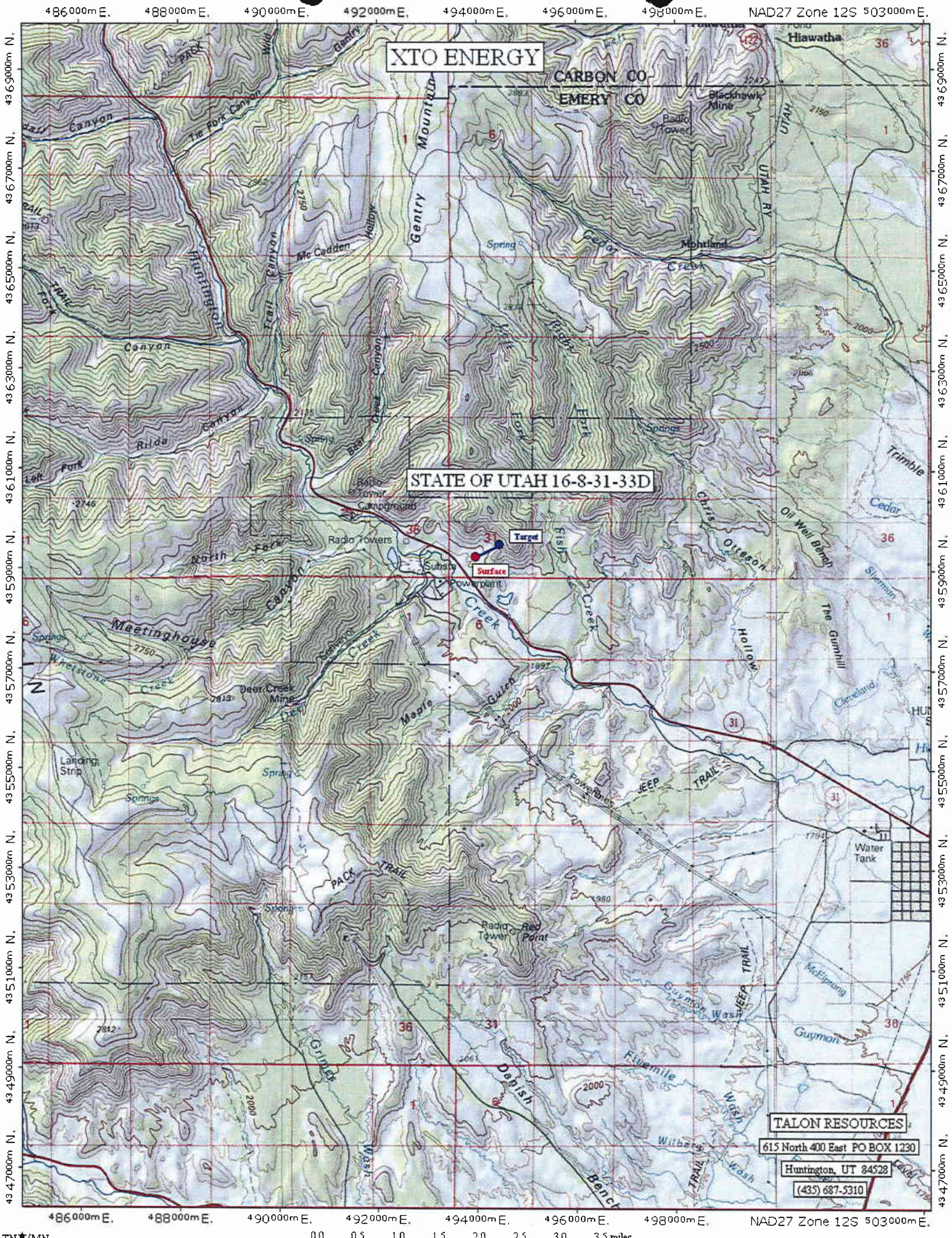
b. Drilling and Completions:

John Egelston
XTO Energy Inc.
2700 Farmington Avenue, Bldg K, Ste 1
Farmington, NM 87401
505-324-1090

c. Certification:

I herby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be preformed by XTO Energy Inc. and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided by XTO Energy Inc. This statement is subject to provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Signature: Kyla Vaughan 6/19/07
Kyla Vaughan



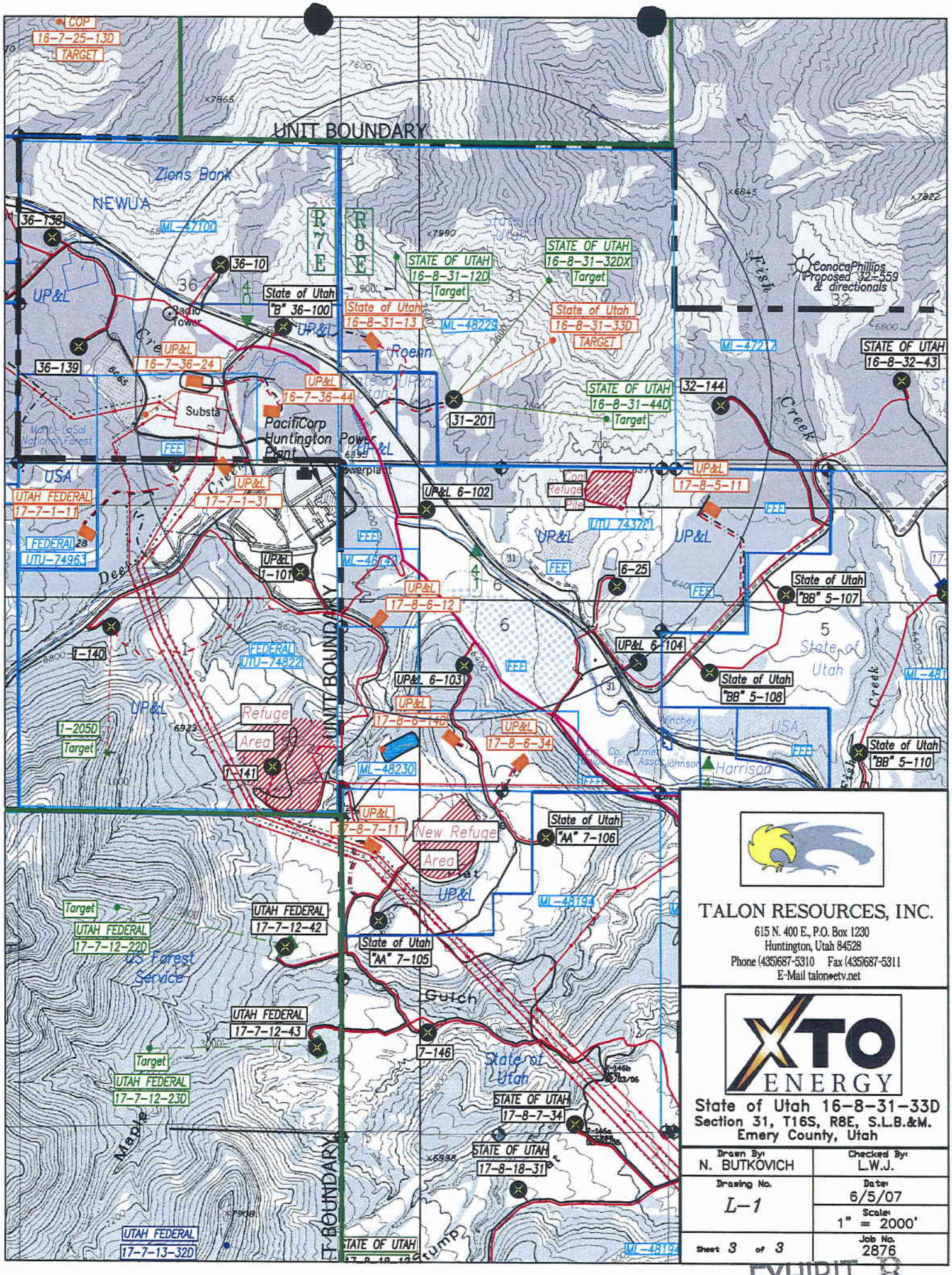
TN/MN 12½°

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles

0 1 2 3 4 5 km

Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT A



TALON RESOURCES, INC.
615 N. 400 E., P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonetv.net

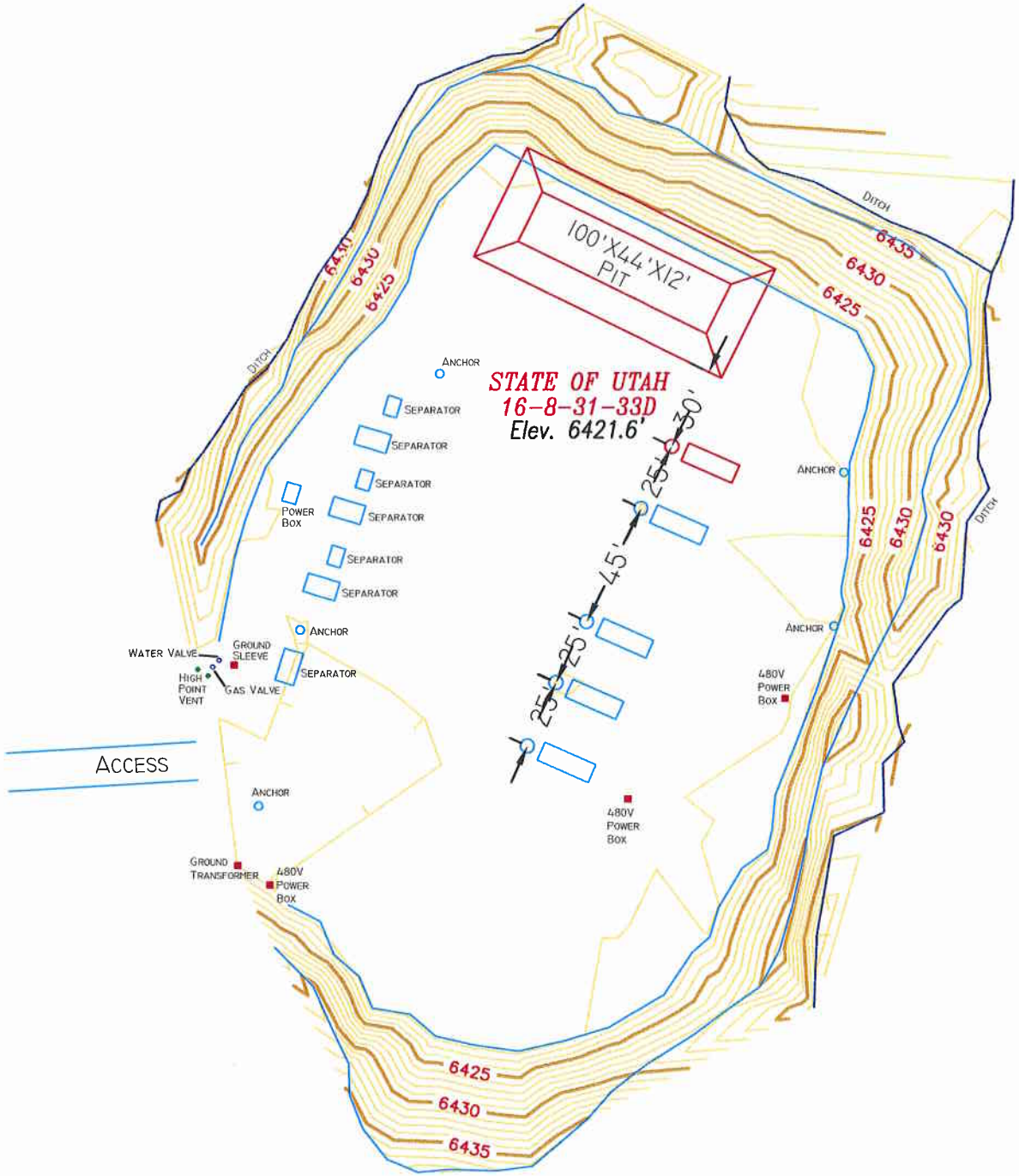
XTO ENERGY

State of Utah 16-8-31-33D
Section 31, T16S, R8E, S.L.B.&M.
Emery County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. L-1	Date: 6/5/07
	Scale: 1" = 2000'
Sheet 3 of 3	Job No. 2876

EXHIBIT B

NOTE: THIS WELL PAD LOCATION HAS BEEN BUILT.
THE LOCATION STAKE ELEVATION REFLECTS THE ASBUILT ELEVATION.



N

EXHIBIT C

TALON RESOURCES, INC.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

XTO ENERGY

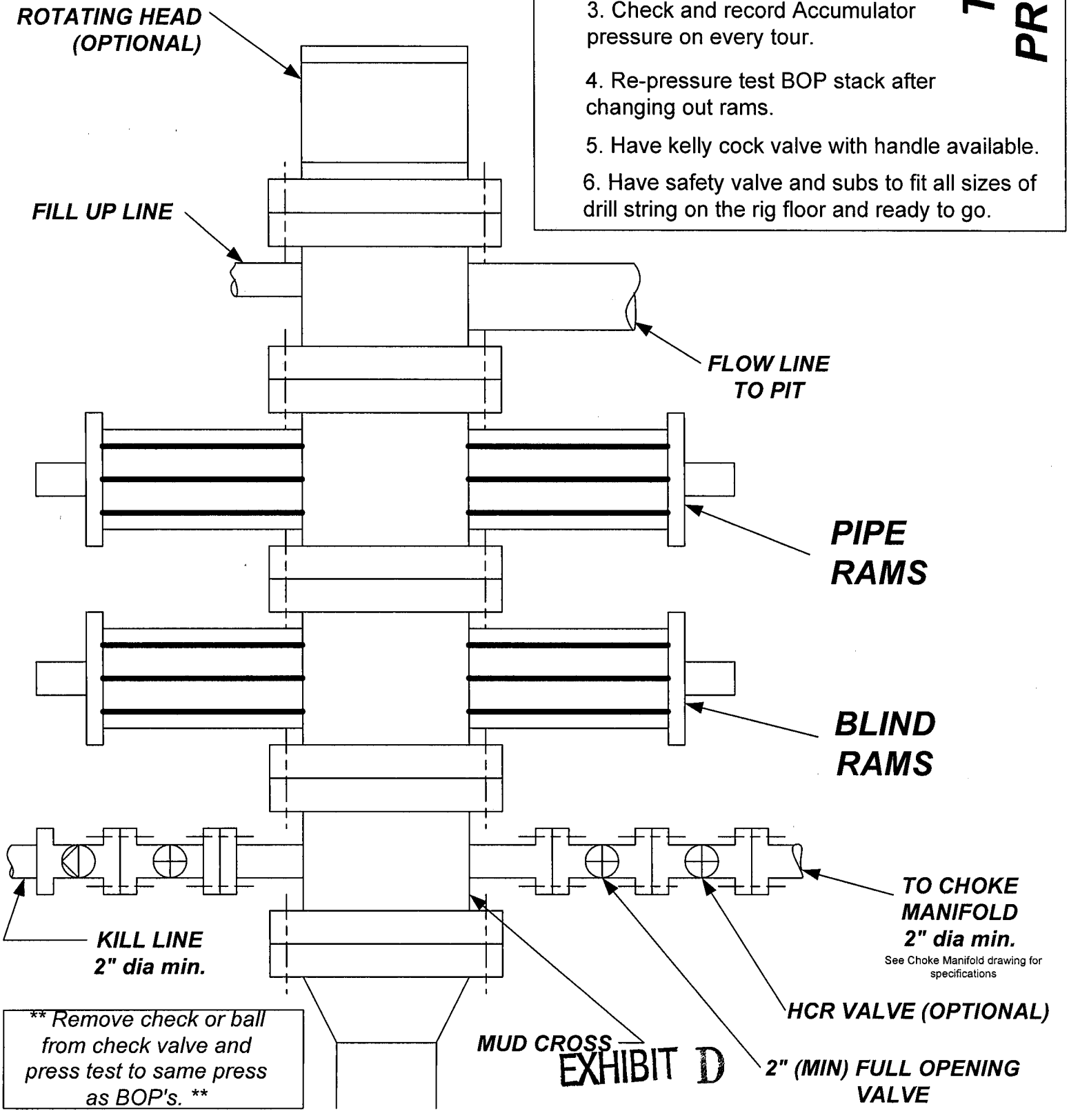
LOCATION LAYOUT
Section 31, T16S, R8E, S.L.B.&M.
State of Utah 16-8-31-33D

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 6/4/07
	Scale: 1" = 60'
Sheet 2 of 3	Job No. 2876

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Test BOP at installation:
   Pressure test BOP to 200-300 psig (low pressure) for 10 min.
   Test BOP to Working Press or to 70% internal yield of surf csg (10 min) or which ever is less.
2. Test operation of (both) rams on every trip.
3. Check and record Accumulator pressure on every tour.
4. Re-pressure test BOP stack after changing out rams.
5. Have kelly cock valve with handle available.
6. Have safety valve and subs to fit all sizes of drill string on the rig floor and ready to go.



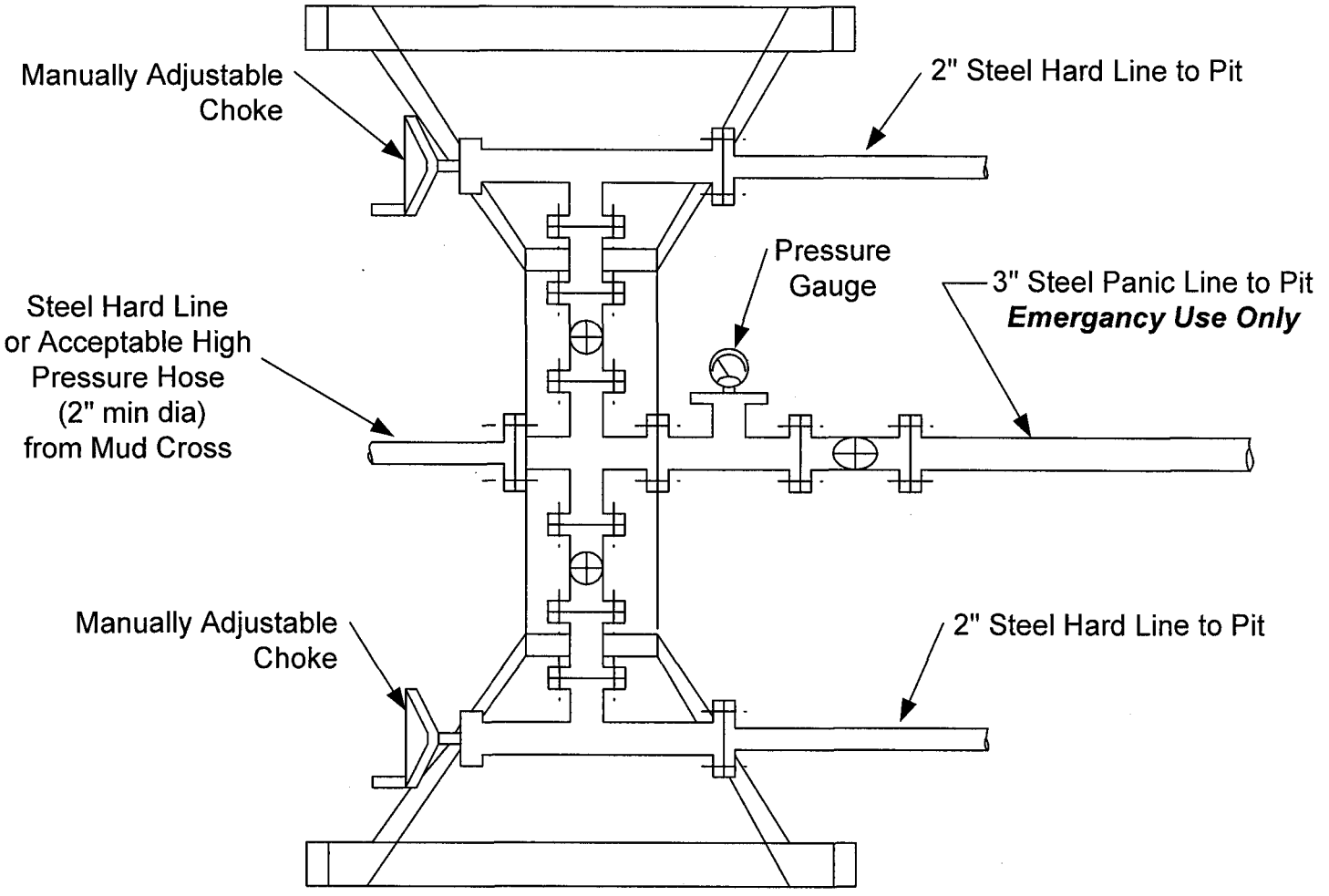
** Remove check or ball from check valve and press test to same press as BOP's. **

EXHIBIT D

CHOKE MANIFOLD
SCHEMATIC FOR DRILLING OPERATIONS
CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke manifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.



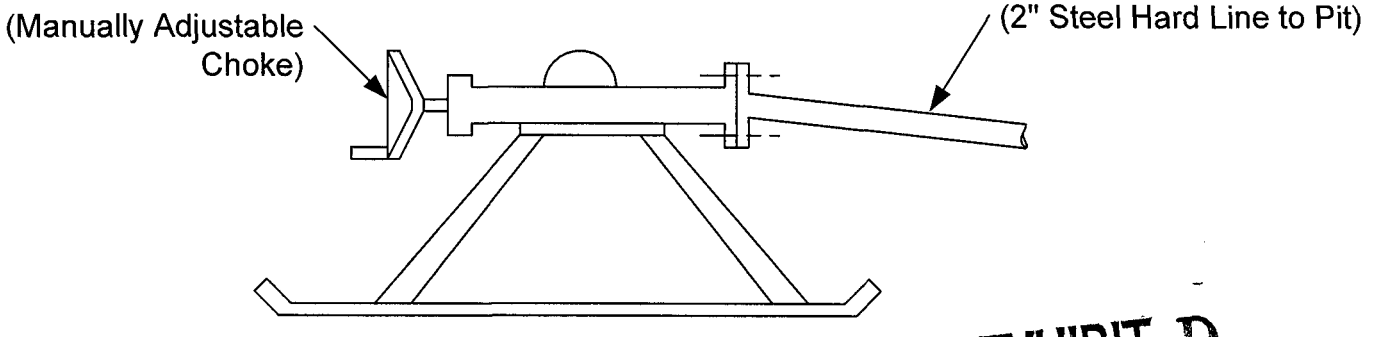


EXHIBIT D

XTO Energy

Utah Wells
State of Utah 16-8-31-33D
State of Utah 16-8-31-33D
Permitted Wellbore

Plan: Permitted Plan

Standard Planning Report

12 June, 2007

EXHIBIT D

Database:	EDM 2003.14 Single User Db	**Local Co-ordinate Reference:**	Well State of Utah 16-8-31-33D
Company:	XTO Energy	**TVD Reference:**	Rig KB @ 6434.0ft (Frontier #1)
Project:	Utah Wells	**MD Reference:**	Rig KB @ 6434.0ft (Frontier #1)
Site:	State of Utah 16-8-31-33D	**North Reference:**	True
Well:	State of Utah 16-8-31-33D	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permitted Wellbore		
Design:	Permitted Plan		

Project	Utah Wells, Emery Co. & Carbon Co., Utah, Ferron Coal Wells		
Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		Using Well Reference Point
Map Zone:	Utah South 4303		

Site	State of Utah 16-8-31-33D, T16S, R08E				
Site Position:		**Northing:**	989,995.94ft	**Latitude:**	39° 23' 3.716 N
From:	Lat/Long	**Easting:**	2,121,555.33ft	**Longitude:**	111° 4' 12.433 W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	0.26 °

Well	State of Utah 16-8-31-33D, S-Well to Ferron Coal/Sandstone					
Well Position	**+N/-S**	0.0 ft	**Northing:**	989,995.94 ft	**Latitude:**	39° 23' 3.716 N
	+E/-W	0.0 ft	**Easting:**	2,121,555.33 ft	**Longitude:**	111° 4' 12.433 W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	6,422.0 ft	**Ground Level:**	6,422.0 ft

Wellbore	Permitted Wellbore				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	6/12/2007	12.09	65.14	52,163

Design	Permitted Plan				
Audit Notes:					
Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0
Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**	
	0.0	0.0	0.0	62.47	

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,990.2	50.71	62.47	1,778.0	323.7	621.0	3.00	3.00	0.00	62.47	
2,533.2	50.71	62.47	2,122.0	518.0	993.7	0.00	0.00	0.00	0.00	
4,223.4	0.00	0.00	3,600.0	841.7	1,614.7	3.00	-3.00	0.00	180.00	Requested BHL -- Sta
4,715.4	0.00	0.00	4,092.0	841.7	1,614.7	0.00	0.00	0.00	0.00	

EXHIBIT D

Database:	EDM 2003.14 Single User Db	**Local Co-ordinate Reference:**	Well State of Utah 16-8-31-33D
Company:	XTO Energy	**TVD Reference:**	Rig KB @ 6434.0ft (Frontier #1)
Project:	Utah Wells	**MD Reference:**	Rig KB @ 6434.0ft (Frontier #1)
Site:	State of Utah 16-8-31-33D	**North Reference:**	True
Well:	State of Utah 16-8-31-33D	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permitted Wellbore		
Design:	Permitted Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
11 3/4"									
400.0	3.00	62.47	400.0	1.2	2.3	2.6	3.00	3.00	0.00
500.0	6.00	62.47	499.6	4.8	9.3	10.5	3.00	3.00	0.00
600.0	9.00	62.47	598.8	10.9	20.9	23.5	3.00	3.00	0.00
700.0	12.00	62.47	697.1	19.3	37.0	41.7	3.00	3.00	0.00
800.0	15.00	62.47	794.3	30.1	57.7	65.1	3.00	3.00	0.00
900.0	18.00	62.47	890.2	43.2	82.9	93.5	3.00	3.00	0.00
1,000.0	21.00	62.47	984.4	58.6	112.5	126.9	3.00	3.00	0.00
1,100.0	24.00	62.47	1,076.8	76.3	146.4	165.1	3.00	3.00	0.00
1,200.0	27.00	62.47	1,167.1	96.2	184.6	208.2	3.00	3.00	0.00
1,300.0	30.00	62.47	1,254.9	118.3	226.9	255.9	3.00	3.00	0.00
1,400.0	33.00	62.47	1,340.2	142.4	273.2	308.1	3.00	3.00	0.00
1,500.0	36.00	62.47	1,422.6	168.6	323.4	364.8	3.00	3.00	0.00
1,600.0	39.00	62.47	1,501.9	196.7	377.4	425.6	3.00	3.00	0.00
1,700.0	42.00	62.47	1,577.9	226.8	435.0	490.6	3.00	3.00	0.00
1,800.0	45.00	62.47	1,650.5	258.6	496.0	559.4	3.00	3.00	0.00
1,900.0	48.00	62.47	1,719.3	292.1	560.3	631.9	3.00	3.00	0.00
1,990.2	50.71	62.47	1,778.0	323.7	621.0	700.3	3.00	3.00	0.00
2,000.0	50.71	62.47	1,784.3	327.2	627.8	707.9	0.00	0.00	0.00
2,100.0	50.71	62.47	1,847.6	363.0	696.4	785.3	0.00	0.00	0.00
2,200.0	50.71	62.47	1,910.9	398.8	765.0	862.7	0.00	0.00	0.00
2,300.0	50.71	62.47	1,974.3	434.6	833.6	940.1	0.00	0.00	0.00
2,400.0	50.71	62.47	2,037.6	470.3	902.3	1,017.5	0.00	0.00	0.00
2,500.0	50.71	62.47	2,100.9	506.1	970.9	1,094.9	0.00	0.00	0.00
2,533.2	50.71	62.47	2,122.0	518.0	993.7	1,120.6	0.00	0.00	0.00
2,600.0	48.70	62.47	2,165.1	541.5	1,038.8	1,171.5	3.00	-3.00	0.00
2,700.0	45.70	62.47	2,233.1	575.5	1,103.9	1,244.9	3.00	-3.00	0.00
2,800.0	42.70	62.47	2,304.8	607.7	1,165.7	1,314.6	3.00	-3.00	0.00
2,900.0	39.70	62.47	2,380.0	638.1	1,224.1	1,380.5	3.00	-3.00	0.00
3,000.0	36.70	62.47	2,458.6	666.7	1,279.0	1,442.3	3.00	-3.00	0.00
3,100.0	33.70	62.47	2,540.3	693.4	1,330.1	1,499.9	3.00	-3.00	0.00
3,200.0	30.70	62.47	2,624.9	718.0	1,377.3	1,553.2	3.00	-3.00	0.00
3,300.0	27.70	62.47	2,712.1	740.5	1,420.6	1,602.0	3.00	-3.00	0.00
3,400.0	24.70	62.47	2,801.9	760.9	1,459.7	1,646.2	3.00	-3.00	0.00
3,500.0	21.70	62.47	2,893.8	779.2	1,494.7	1,685.6	3.00	-3.00	0.00
3,600.0	18.70	62.47	2,987.6	795.1	1,525.3	1,720.1	3.00	-3.00	0.00
3,700.0	15.70	62.47	3,083.1	808.8	1,551.5	1,749.7	3.00	-3.00	0.00
3,800.0	12.70	62.47	3,180.0	820.1	1,573.3	1,774.2	3.00	-3.00	0.00
3,900.0	9.70	62.47	3,278.1	829.1	1,590.5	1,793.6	3.00	-3.00	0.00
4,000.0	6.70	62.47	3,377.1	835.7	1,603.1	1,807.9	3.00	-3.00	0.00
4,100.0	3.70	62.47	3,476.7	839.9	1,611.2	1,816.9	3.00	-3.00	0.00
4,200.0	0.70	62.47	3,576.6	841.7	1,614.6	1,820.8	3.00	-3.00	0.00
4,223.4	0.00	0.00	3,600.0	841.7	1,614.7	1,820.9	3.00	-3.00	0.00
Requested BHL -- State of Utah 16-8-31-33D									
4,255.4	0.00	0.00	3,632.0	841.7	1,614.7	1,820.9	0.00	0.00	0.00
Upper Ferron Sandstone									
4,265.4	0.00	0.00	3,642.0	841.7	1,614.7	1,820.9	0.00	0.00	0.00
Ferron Coal									
4,300.0	0.00	0.00	3,676.6	841.7	1,614.7	1,820.9	0.00	0.00	0.00

EXHIBIT D

Database:	EDM 2003.14 Single User Db	**Local Co-ordinate Reference:**	Well State of Utah 16-8-31-33D
Company:	XTO Energy	**TVD Reference:**	Rig KB @ 6434.0ft (Frontier #1)
Project:	Utah Wells	**MD Reference:**	Rig KB @ 6434.0ft (Frontier #1)
Site:	State of Utah 16-8-31-33D	**North Reference:**	True
Well:	State of Utah 16-8-31-33D	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permitted Wellbore		
Design:	Permitted Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,400.0	0.00	0.00	3,776.6	841.7	1,614.7	1,820.9	0.00	0.00	0.00
4,415.4	0.00	0.00	3,792.0	841.7	1,614.7	1,820.9	0.00	0.00	0.00
Lower Ferron Sandstone									
4,500.0	0.00	0.00	3,876.6	841.7	1,614.7	1,820.9	0.00	0.00	0.00
4,600.0	0.00	0.00	3,976.6	841.7	1,614.7	1,820.9	0.00	0.00	0.00
4,695.4	0.00	0.00	4,072.0	841.7	1,614.7	1,820.9	0.00	0.00	0.00
Tununk Shale									
4,700.0	0.00	0.00	4,076.6	841.7	1,614.7	1,820.9	0.00	0.00	0.00
4,715.0	0.00	0.00	4,091.6	841.7	1,614.7	1,820.9	0.00	0.00	0.00
5 1/2"									
4,715.4	0.00	0.00	4,092.0	841.7	1,614.7	1,820.9	0.00	0.00	0.00

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Requested BHL -- State - plan hits target - Circle (radius 30.0)	0.00	0.00	3,600.0	841.7	1,614.7	990,845.08	2,123,166.15	39° 23' 12.032 N	111° 3' 51.875 W

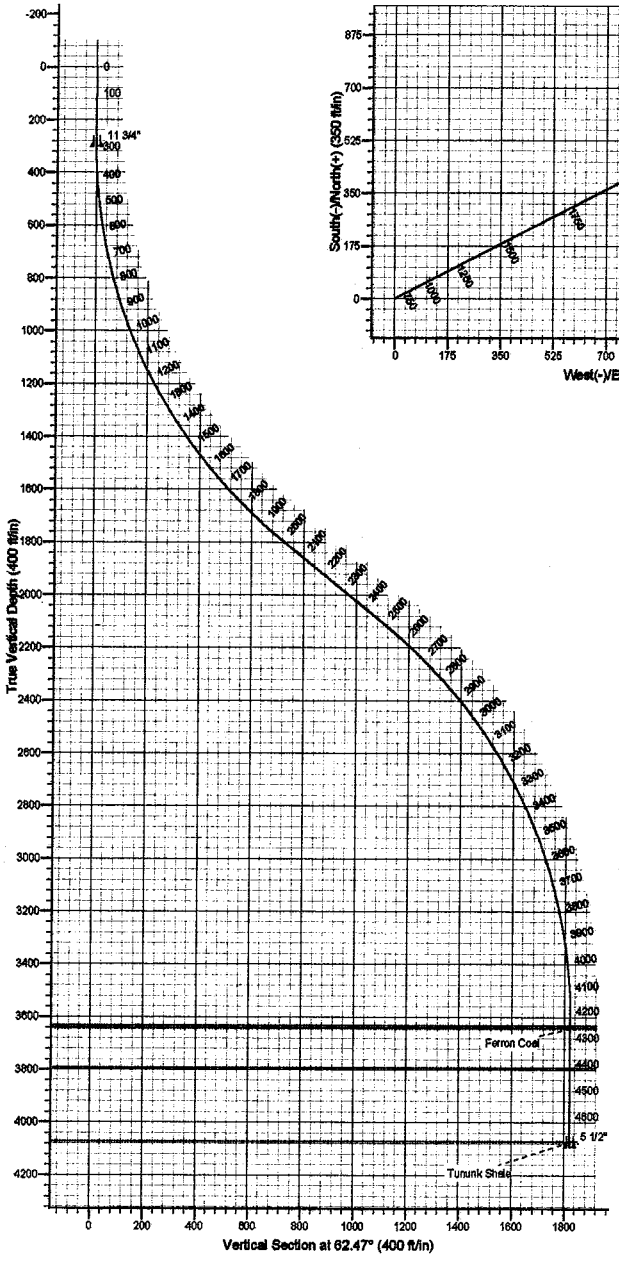
Casing Points

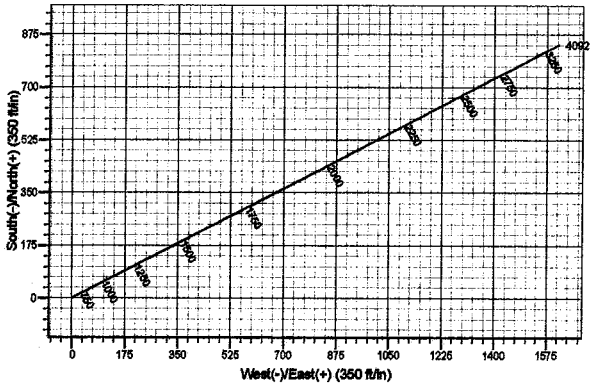
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
300.0	300.0	11 3/4"	11-3/4	14-3/4
4,715.0	4,091.6	5 1/2"	5-1/2	8-3/4

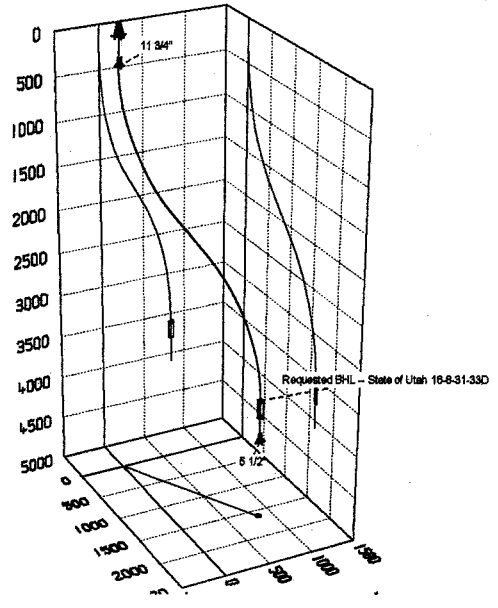
Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
4,255.4	3,632.0	Upper Ferron Sandstone	Sandstone	0.00	
4,265.4	3,642.0	Ferron Coal	Coal	0.00	
4,415.4	3,792.0	Lower Ferron Sandstone	Sandstone	0.00	
4,695.4	4,072.0	Tununk Shale	Shale	0.00	

EXHIBIT D







XTO ENERGY

Well Name: State of Utah 16-8-31-33D							
Plan Description: S-Well to Ferron Coal/Sandstone							
Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape	
Requested BHL -- State of Utah 16-8-31-33D	3600.0	841.7	1614.7	39° 23' 12.032 N	111° 3' 51.875 W	Circle (Radius: 30.0)	

Project: Utah Wells
Site: State of Utah 16-8-31-33D
Well: State of Utah 16-8-31-33D
Wellbore: Permitted Wellbore
Permitted Plan

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
3632.0	4255.4	Upper Ferron Sandstone
3642.0	4285.4	Ferron Coal
3792.0	4415.4	Lower Ferron Sandstone
4072.0	4695.4	Tununk Shale

CASING DETAILS

TVD	MD	Name	Size
300.0	300.0	11 3/4"	11-3/4
4091.6	4715.0	5 1/2"	5-1/2

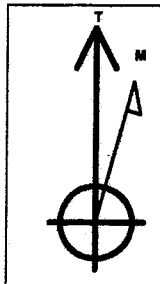
PROJECT DETAILS: Utah Wells

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: Utah South 4303

System Datum: Mean Sea Level

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	300.0	0.00	0.00	300.0	0.0	0.0	0.00	0.00	0.0	
3	1990.2	50.71	62.47	1778.0	323.7	621.0	3.00	62.47	700.3	
4	2533.2	50.71	62.47	2122.0	518.0	993.7	0.00	0.00	1120.6	
5	4223.4	0.00	0.00	3600.0	841.7	1614.7	3.00	180.00	1820.9	Requested BHL -- State of Utah 16-8-31-33D
6	4715.4	0.00	0.00	4092.0	841.7	1614.7	0.00	0.00	1820.9	



Azimuths to True North
Magnetic North: 12.09°

Magnetic Field
Strength: 52163.4nT
Dip Angle: 65.14°
Date: 6/12/2007
Model: IGRF200510

EXHIBIT D

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/22/2007

API NO. ASSIGNED: 43-015-30718

WELL NAME: ST OF UT 16-8-31-33D
OPERATOR: XTO ENERGY INC (N2615)
CONTACT: KYLA VAUGHAN

PHONE NUMBER: 505-324-1090

PROPOSED LOCATION:
SESW 31 160S 080E
SURFACE: 1147 FSL 1873 FWL
NWSE BOTTOM: 1980 FSL 1980 FEL
COUNTY: EMERY
LATITUDE: 39.38443 LONGITUDE: -111.0702
UTM SURF EASTINGS: 493954 NORTHINGS: 4359233
FIELD NAME: BUZZARD BENCH (132)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	8/31/07
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ML-48229
SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD
COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat
✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 10431276Z)
N Potash (Y/N)
N Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. MUNICIPAL)
NC RDCC Review (Y/N)
(Date:)
NA Fee Surf Agreement (Y/N)
NA Intent to Commingle (Y/N)

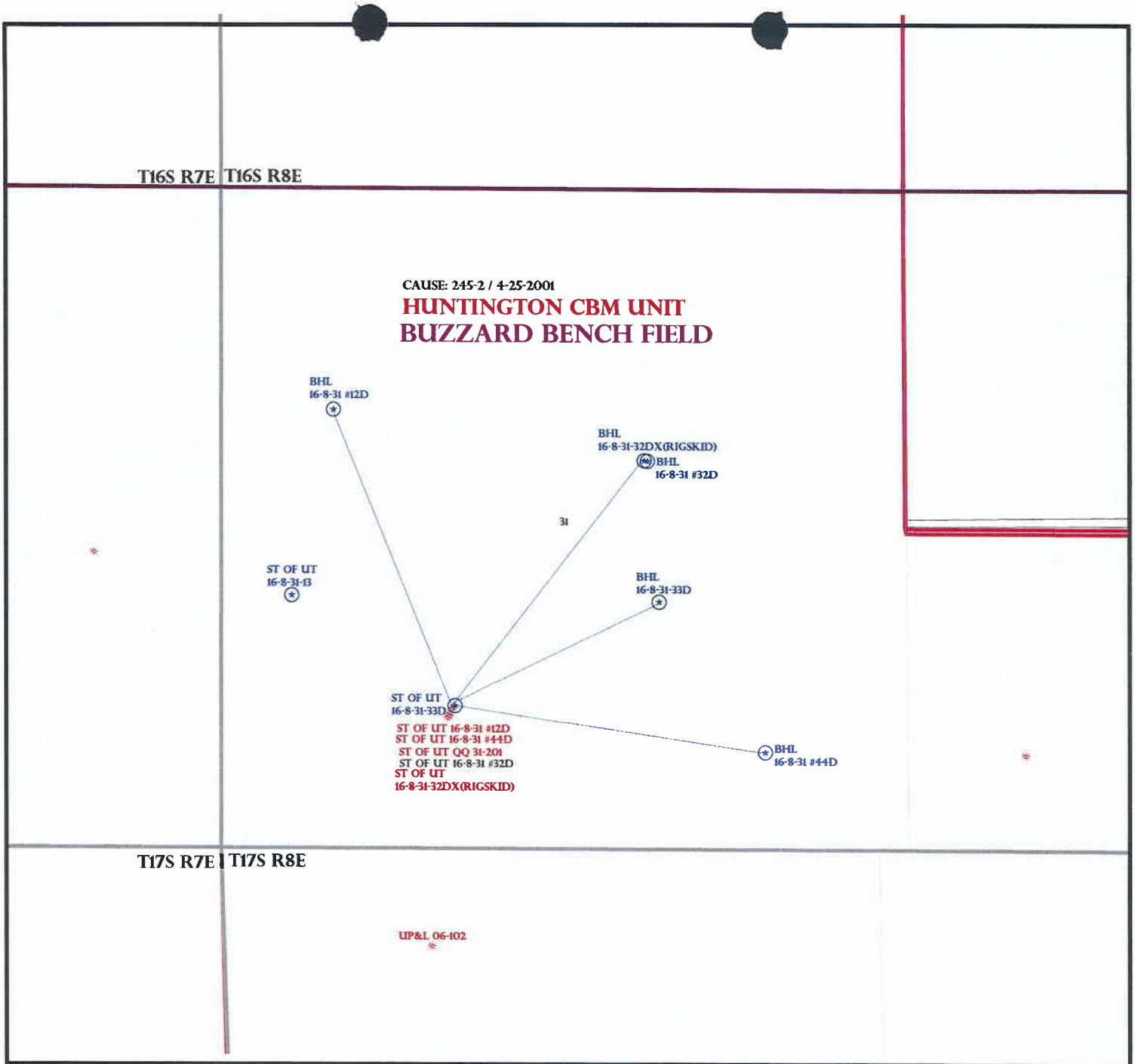
LOCATION AND SITING:

___ R649-2-3.
Unit: HUNTINGTON CBM DW
___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
✓ Drilling Unit
Board Cause No: 245-2
Eff Date: 4-25-01
Siting: 460' fr u.l. dry & uncomm. Tract
✓ R649-3-11. Directional Drill

COMMENTS: Needs Presite (07-19-07)

STIPULATIONS: 1- STATEMENT OF BASIS

ER



OPERATOR: XTO ENERGY INC (N2615)

SEC: 31 T.16S R. 8E

FIELD: BUZZARD BENCH (132)

COUNTY: EMERY

CAUSE: 245-2 / 4-25-2001

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA MASON
DATE: 25-JUNE-2007

Application for Permit to Drill
Statement of Basis

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
453	43-015-30718-00-00		GW	S	No

Operator XTO ENERGY INC **Surface Owner-APD**
Well Name ST OF UT 16-8-31-33D **Unit** HUNTINGTON CBM
Field BUZZARD BENCH **Type of Work**
Location SESW 31 16S 8E S 1147 FSL 1873 FWL GPS Coord (UTM) 493954E 4359233N

Geologic Statement of Basis

A review of the ground water resources for this location indicates that there are numerous points of diversion within a one mile radius of this well including two underground sources of water, both in adjacent Section 36, one owned by Pacificorp dba Utah Power & Light and one owned by the Huntington-Cleveland Irrigation Company. At the well location a poorly to moderately permeable soil is developed on the Upper Portion of the Blue Gate Member of the Mancos Shale. It is possible that the well will penetrate several sand units of the Emery Sandstone Member of the Mancos Shale. The proposed surface casing and cementing program should be extended to protect any water bearing sandstones encountered in the Emery Sandstone.

Chris Kierst — 7/27/2007
APD Evaluator — **Date / Time**

Surface Statement of Basis

On-site evaluation conducted July 19, 2007. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Ray Trujillo-XTO, Bedos-Nielson Construction, Jim Davis-Trust Lands Administration (SITLA), and Larry Johnson-Talon Resources. Invited but choosing not to attend: Kyle Beagly-Division of Wildlife Resources (DWR)

Proposed well is on an existing well pad for four other wells. No comments or recommendations made.

Bart Kettle — 7/19/2007
Onsite Evaluator — **Date / Time**

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator XTO ENERGY INC
Well Name ST OF UT 16-8-31-33D
API Number 43-015-30718-0 **APD No** 453 **Field/Unit** BUZZARD BENCH
Location: 1/4,1/4 SESW **Sec** 31 **Tw** 16S **Rng** 8E 1147 FSL 1873 FWL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Ray Trujillo-XTO, Bedos-Nielson Construction, Jim Davis-Trust Lands Administration (SITLA), and Lary Robinson-Talon Resources

Regional/Local Setting & Topography

Proposed project area is located ~8 mile northwest of Huntington, located in Emery County Utah. Project site is surrounded by a series of sharp sandstone ledges cut by deep canyons along the eastern rim of the Wasatch Plateau. Drainages flow into Huntington Creek within a mile and eventually to the Green River 60 miles away. Project site is located in a 12-14" precept zone part way up the eastern slope of the Wasatch Plateau. Regionally agriculture lands are located along the valley floor 5 miles to the east, and the top of the Wasatch Plateau is 5 miles to the west. With the exception of the Skyline drive portions of the Wasatch Plateau, regionally the climate is arid rangelands dominated by Salt Scrub shrub lands and Pinion/Juniper woodlands. Soils in the region are generally poorly developed, and moderate too highly erosive.

Surface Use Plan

Current Surface Use
Existing Well Pad

New Road Miles	Well Pad Width	Well Pad Length	Src Const Material	Surface Formation

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna
None-exsisting well pad

Soil Type and Characteristics
Mancos

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? **Paleo Potental Observed?** **Cultural Survey Run?** N **Cultural Resources?**

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	<300	20
Native Soil Type	Low permeability	0
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
	Final Score	30 1 **Sensitivity Level**

Characteristics / Requirements

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 12 **Pit Underlayment Required?** N

Other Observations / Comments

Proposed on exsisiting well pad, less than 20' of new disturbance will be required to drill well.

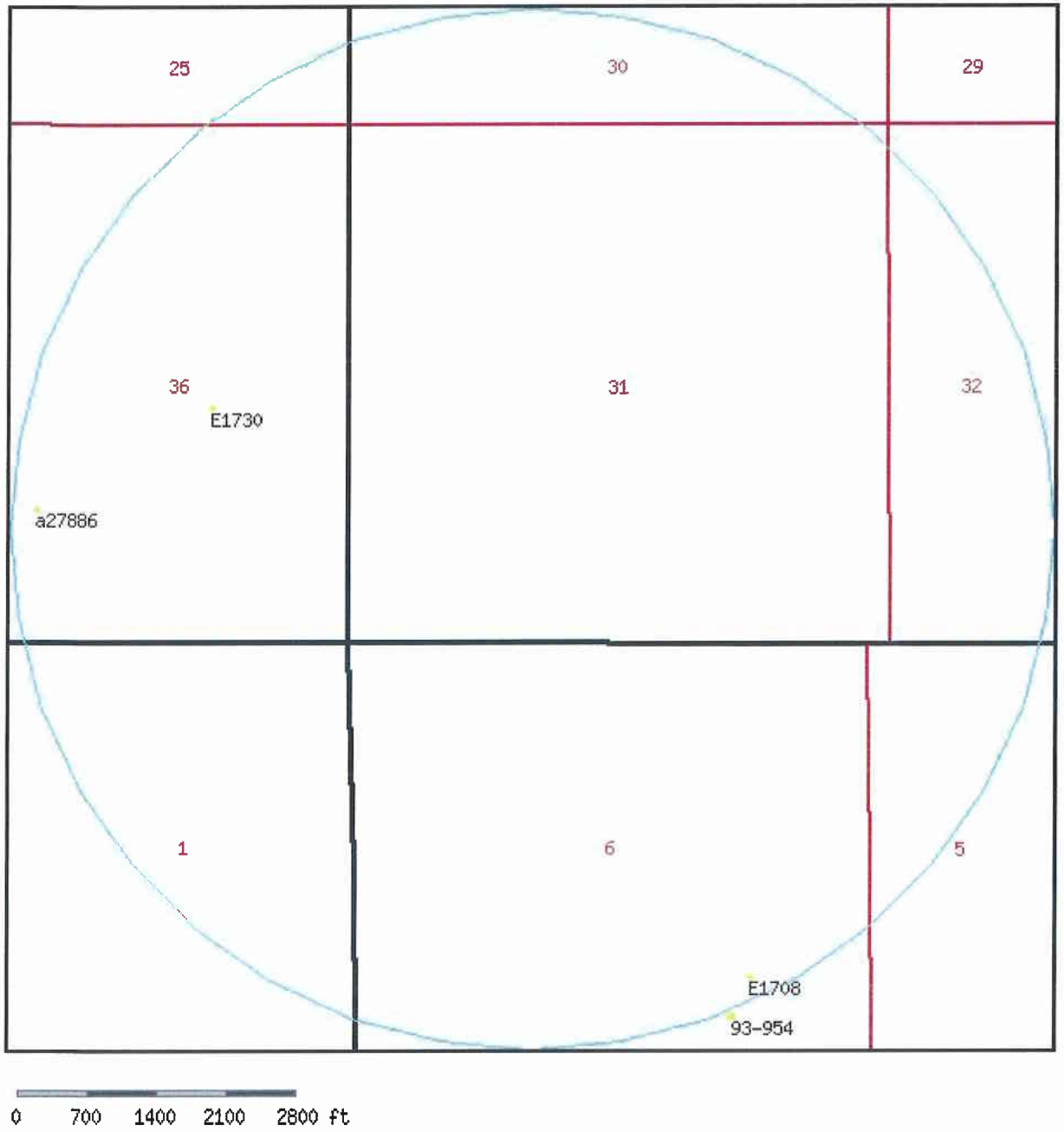
Bart Kettle — **Evaluator**

7/19/2007 — **Date / Time**

WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 07/27/2007 02:52 PM

Radius search of 5280 feet from a point N1147 E1873 from the SW corner, section 31, Township 16S, Range 8E, SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,Sp status=U,A,P usetypes=all

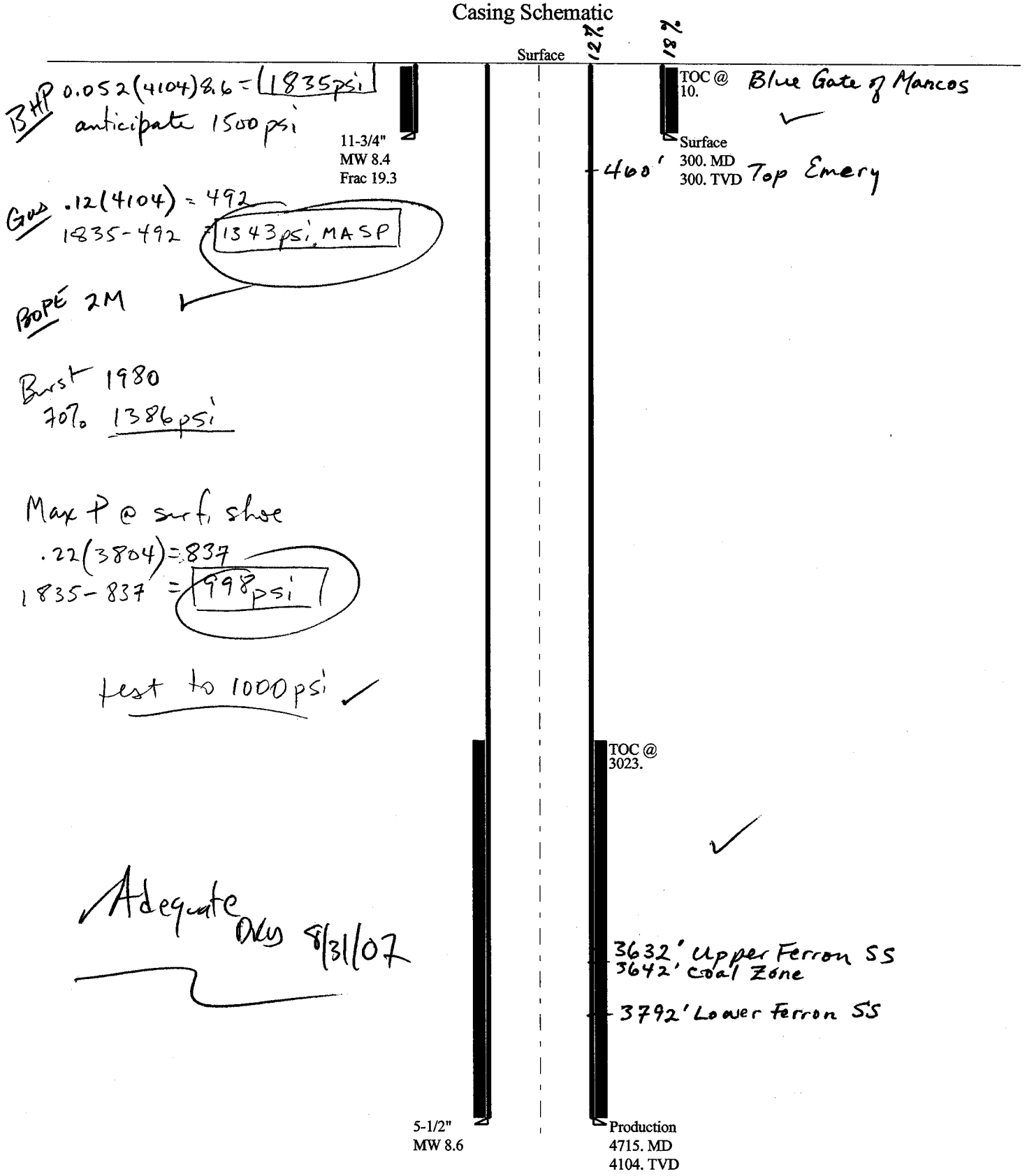


Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
93-1140	Surface		A	19220808	I	0.000	4000.000	HUNTINGTON-CLEVELAND IRRIGATION COMPANY
	N1572 W1466 SE 06 17S 8E SL							PO BOX 327
93-954	Surface		A	19620702	IS	75.000	0.000	USA BUREAU OF RECLAMATION -- PROVO AREA OFFICE
	N1565 W1430 SE 06 17S 8E SL							UPPER COLORADO REGION
a27886	Underground		A	20030509	M	0.000	300.260	HUNTINGTON-CLEVELAND IRRIGATION COMPANY
	N1350 E2150 SW 36 16S 7E SL							P.O. BOX 327
E1708	Surface		A	19800915	IS	0.000	10.800	PACIFICORP DBA UTAH POWER & LIGHT COMPANY
	S700 W1220 E4 06 17S 8E SL							ATTN: CARLY BURTON
E1730	Underground	well info	A	19801209	O	0.330	240.000	PACIFICORP DBA UTAH POWER & LIGHT COMPANY
	N2380 W1370 SE 36 16S 7E SL							ATTN: CARLY BURTON

2007-08 XTO ST of UT 16-8-31-33D

Casing Schematic



Well name:	**2007-08 XTO ST of UT 16-8-31-33D**
Operator:	**XTO Energy, Inc.**
String type:	Surface
Project ID:	43-015-30718
Location:	Emery County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 264 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 300 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 263 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 69 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 150 ft

Cement top: 10 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 4,104 ft
Next mud weight: 8.600 ppg
Next setting BHP: 1,834 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 300 ft
Injection pressure: 300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	300	11.75	42.00	H-40	ST&C	300	300	10.959	201

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	131	1040	7.944	300	1980	6.60	13	307	24.37 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940

Date: August 15,2007
Salt Lake City, Utah

ENGINEERING STIPULATIONS:
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	**2007-08 XTO ST of UT 16-8-31-33D**
Operator:	**XTO Energy, Inc.**
String type:	Production
Project ID:	43-015-30718
Location:	Emery County

Design parameters:

Collapse
Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 931 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 1,834 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 4,178 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 122 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 3,023 ft

Directional Info - Build & Drop
Kick-off point 400 ft
Departure at shoe: 1779 ft
Maximum dogleg: 3.19 °/100ft
Inclination at shoe: 0 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	4715	5.5	15.50	J-55	ST&C	4104	4715	4.825	630.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1834	4040	2.203	1834	4810	2.62	64	202	3.18 J

Prepared by: Helen Sadik-Macdonald, Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940
Date: August 15,2007
Salt Lake City, Utah

ENGINEERING STIPULATIONS:
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48229

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: N/A

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: State of Utah 16-8-31-33D

2. NAME OF OPERATOR: XTO ENERGY INC.

9. API NUMBER:

3. ADDRESS OF OPERATOR: 2700 Farmington, Bldg K-1 CITY Farmington STATE NM ZIP 87401

PHONE NUMBER: (505) 324-1090

10. FIELD AND POOL, OR WILDCAT: FERRON SANDSTONE

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1147' FSL x 1873' FWL

COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 31 16S 8E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: correct SUP
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO moved the surface location from the 32-144 pad to the existing State of Utah QQ 31-201 pad. Please see attached 1st page of surface use plan with the correction being made to 1. (b).

Footages and locations were correct on original application.

NAME (PLEASE PRINT) Kyla Vaughan TITLE Regulatory Complicance

SIGNATURE Kyla Vaughan DATE 6/25/2007

(This space for State use only)

RECEIVED
JUN 29 2007
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Application for Permit to Drill
Surface Use Plan

Company: XTO Energy, Inc
Well No: State of Utah 16-8-31-33D
Location: 1147' FSL & 1873' FWL, Section 31, T16S, R8E

Thirteen Point Surface Use Plan

The dirt contractor will be provided an approved copy of the surface use plan of operations before starting construction.

1. Existing Roads

   a. Proposed route to location: The proposed route to location is shown on Exhibit "A" and is from the Hiawatha Quadrangle 7.5 minute series USGS quadrangle map.

   b. Location of proposed well in relation to town or other reference point: From Huntington, Utah, go West on Hwy 31 6.9 miles. Turn right on access road and go 0.3 miles to existing pad location, State of Utah QQ 31-201.

   c. Contact the County Road Department for use of County Roads: No county road permits should be required.

   d. Plans for improvement and/or maintenance of existing roads: All existing roads within 1 mile of the drill site are shown on Exhibit "B". All roads that will be used to the well location will be maintained to their current conditions are better.

   e. Other Comments: None

2. Planned Access Roads

   a. Location of Access Road: Starting from a point along an existing road in the SW/4 of Section 31, T16S, R8E.

   b. Length of New Road: 0' of road will need to be constructed to access this location.

   c. Length of Existing Road to Upgrade: No existing roads should need upgrades to access this location.

   d. Maximum Disturbed Width: Typically new access roads require up to 60' of disturbed width which includes ROW for gas and water pipe lines and electric service.

   e. Travel Width of Access Road: 25' or less.

From: Ed Bonner
To: Mason, Diana
Date: 8/20/2007 3:07 PM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

Cabot Oil & Gas Corporation
McKenna 21-32 (API 43 037 31863)

Kerr McGee Oil & Gas Onshore LP
NBU 1022-13K4S (API 43 047 39473)
NBU 1022-13I3S (API 43 047 39474)
NBU 1022-13I4S (API 43 047 39475)
NBU 1022-13O1CS (API 43 047 39476)
NBU 1022-13J4S (API 43 047 39477)
NBU 1022-13O1AS (API 43 047 39478)
NBU 1022-13O2S (API 43 047 39479)
NBU 1022-13O4S (API 43 047 39480)
NBU 1022-13K3S (API 43 047 39481)
NBU 1023-13M1S (API 43 047 39482)
NBU 1022-13M2AS (API 43 047 39483)
NBU 1022-13N1S (API 43 047 39484)
NBU 1022-13L3S (API 43 047 39485)
NBU 1022-13L4S (API 43 047 39486)
NBU 1022-13N2S (API 43 047 39487)
NBU 1022-13M2SC (API 43 047 39488)
NBU 1022-13K-3T (API 43 047 39489)

Petro-Canada Resources (USA), Inc
State 16-41 (API 43 015 30721)
State 32-44 (API 43 015 30722)

Royale Energy, Inc
Vernal Equinox 2-2 (API 43 019 31552)

XTO Energy, Inc
State of Utah 16-8-31-13 (API 43 015 30719)
State of Utah 16-8-31-33D (API 43 015 30718)

If you have any questions regarding this matter please give me a call.

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

September 4, 2007

XTO Energy, Inc.
2700 Farmington Ave.
Farmington, NM 87401

Re: State of Utah 16-8-31-33D Well, 1147' FSL, 1873' FWL, SE SW, Sec. 31, T. 16 South, R. 8 East, Bottom Location 1980' FSL, 1980' FEL, NW SE, Sec. 31, T. 16 South, R. 8 East, Emery County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30718.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Emery County Assessor
SITLA

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

UTAH DNR OIL, GAS & MINING

Operator: XTO Energy, Inc.

Well Name & Number State of Utah 16-8-31-33D

API Number: 43-015-30718

Lease: ML-48229

Location:	SE SW	**Sec.** 31	**T.** 16 South	**R.** 8 East
Bottom Location:	NW SE	**Sec.** 31	**T.** 16 South	**R.** 8 East

Conditions of Approval

1. **General**

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

   The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

   - 24 hours prior to cementing or testing casing – contact Dan Jarvis
   - 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
   - 24 hours prior to spudding the well – contact Carol Daniels
   - Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
   - Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

   The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

   - Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
   - Any changes to the approved drilling plan – contact Dustin Doucet

   The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

   - Dan Jarvis at: (801) 538-5338 office (801) 942-0873 home
   - Carol Daniels at: (801) 538-5284 office
   - Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. **Reporting Requirements**

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

43-015-30718
31 16S 8E

HALLIBURTON

Cementing Job Summary

The Road to Excellence Starts with Safety

Sold To #: 301599	**Ship To #:** 301599	**Quote #:**	**Sales Order #:** 5427139
Customer: XTO ENERGY INC		**Customer Rep:** JOHNSON, DON	
Well Name: STATE OF UTAH	**Well #:** 16-8-31-33D		**API/UWI #:**
Field: EMERY	**City (SAP):** UNKNOWN	**County/Parish:** Emery	**State:** Utah
Contractor: Rathole		**Rig/Platform Name/Num:**	
Job Purpose: Cement Surface Casing			
Well Type: Development Well	**Job Type:** Cement Surface Casing		
Sales Person: KRUGER, ROBERT	**Srvc Supervisor:** MCKEE, RALPH	**MBU ID Emp #:** 259268	

Job Personnel

HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #
BERNARD, ANTHONY Raymond	9.0	390070	GUTHRIE, BYRON Linn	9.0	420274	HUNSAKER, JASON O	9.0	425152
MCKEE, RALPH R	9.0	259268	TRIPP, KENNETH Wayne	9.0	189604			

Equipment

HES Unit #	*Distance-1 way*	HES Unit #	*Distance-1 way*	HES Unit #	*Distance-1 way*	HES Unit #	*Distance-1 way*
	140 mile	10638382	140 mile	10804583	140 mile	10948685	120 mile
10982742	140 mile						

Job Hours

Date	*On Location Hours*	Operating Hours	Date	*On Location Hours*	Operating Hours	Date	*On Location Hours*	Operating Hours
10-15-07	9	1						
TOTAL			*Total is the sum of each column separately*					

Job

Formation Name			
Formation Depth (MD)	**Top**	**Bottom**	
Form Type		**BHST**	
Job depth MD	76. ft	**Job Depth TVD**	76. ft
Water Depth		**Wk Ht Above Floor**	. ft
Perforation Depth (MD)	*From*	**To**	

Job Times

	Date	Time	Time Zone
Called Out	15 - Oct - 2007	07:00	MST
On Location	15 - Oct - 2007	12:00	MST
Job Started	15 - Oct - 2007	18:50	MST
Job Completed	15 - Oct - 2007	19:38	MST
Departed Loc	15 - Oct - 2007	21:00	MST

Well Data

Description	New / Used	Max pressure psig	Size in	ID in	Weight lbm/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft	Bottom TVD ft
OPEN HOLE				26.				.	76.		
CONDUCTOR	Used		20.	19.124	94.			.	76.		

Tools and Accessories

Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe					**Packer**					**Top Plug**			
Float Shoe					**Bridge Plug**					**Bottom Plug**			
Float Collar					**Retainer**					**SSR plug set**			
Insert Float										**Plug Container**			
Stage Tool										**Centralizers**			

Miscellaneous Materials

Gelling Agt		**Conc**		**Surfactant**		**Conc**		**Acid Type**		**Qty**		*Conc*	%
Treatment Fld		**Conc**		*Inhibitor*		**Conc**		**Sand Type**		*Size*		*Qty*	

HALLIBURTON

Cementing Job Summary

Fluid Data

Stage/Plug #: 1

Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft3/sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
1	CEMENT	CMT - PREMIUM - CLASS G, 94 LB SK (100003685)	275	sacks	15.6	1.21	5.28		5.28
	94 lbm	CMT - PREMIUM - CLASS G REG OR TYPE V, BULK (100003685)							
	3 %	CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
	5.275 Gal	FRESH WATER							
2	TOP OUT	CMT - PREMIUM - CLASS G, 94 LB SK (100003685)		sacks	15.6	1.21	5.28		5.28
	94 lbm	CMT - PREMIUM - CLASS G REG OR TYPE V, BULK (100003685)							
	3 %	CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
	5.275 Gal	FRESH WATER							

Calculated Values		Pressures		Volumes					
Displacement		Shut In: Instant		Lost Returns		Cement Slurry		Pad	
Top Of Cement		5 Min		Cement Returns		Actual Displacement		Treatment	
Frac Gradient		15 Min		Spacers		Load and Breakdown		Total Job	

Rates

Circulating		Mixing		Displacement		Avg. Job	

Cement Left In Pipe	Amount	10 ft	Reason	AS PER CO. MAN

Frac Ring # 1 @	ID	Frac ring # 2 @	ID	Frac Ring # 3 @	ID	Frac Ring # 4 @	ID

The Information Stated Herein Is Correct	Customer Representative Signature

HALLIBURTON

Cementing Job Log

The Road to Excellence Starts with Safety

Sold To #: 301599	**Ship To #:** 301599	**Quote #:**	**Sales Order #:** 5427139
Customer: XTO ENERGY INC		**Customer Rep:** JOHNSON, DON	
Well Name: STATE OF UTAH	**Well #:** 16-8-31-33D		**API/UWI #:**
Field: EMERY	**City (SAP):** UNKNOWN	**County/Parish:** Emery	**State:** Utah
Legal Description:			
Lat: N 0 deg. OR N 0 deg. 0 min. 0 secs.		**Long:** E 0 deg. OR E 0 deg. 0 min. 0 secs.	
Contractor: Rathole	**Rig/Platform Name/Num:**		
Job Purpose: Cement Surface Casing			**Ticket Amount:**
Well Type: Development Well	**Job Type:** Cement Surface Casing		
Sales Person: KRUGER, ROBERT	**Srvc Supervisor:** MCKEE, RALPH		**MBU ID Emp #:** 259268

Activity Description	Date/Time	Cht #	Rate bbl/ min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Call Out	10/15/2007 07:00							
Pre-Convoy Safety Meeting	10/15/2007 07:15							
Arrive At Loc	10/15/2007 12:00							
Assessment Of Location Safety Meeting	10/15/2007 12:05							
Pre-Rig Up Safety Meeting	10/15/2007 18:00							
Rig-Up Equipment	10/15/2007 18:05							
Safety Meeting - Pre Job	10/15/2007 18:15							
Other	10/15/2007 18:25							THANKS FOR USING HALLIBURTON !!!!
Pump Water	10/15/2007 18:54		2.5	30			15.0	
Pump Cement	10/15/2007 19:12		2.7	34.3			60.0	275 SACKS @ 15.6#
Pump Displacement	10/15/2007 19:34		3				-47.0	
Other	10/15/2007 19:35		3	3			-47.0	WELL CIRCULATES
Slow Rate	10/15/2007 19:36		2				-21.0	
Slow Rate	10/15/2007 19:37		0.5	18			-10.0	
Shutdown	10/15/2007 19:38			23.4				
Shut In Well	10/15/2007 19:39							
Clean Lines	10/15/2007 19:42							WASH PUMP TRUCK
Rig-Down Equipment	10/15/2007 20:00							

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Safety Meeting - Departing Location	10/15/2007 20:40							
Depart Location for Service Center or Other Site	10/15/2007 21:00							

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:	ML-48229
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	N/A
7. UNIT or CA AGREEMENT NAME:	HUNTINGTON CBM
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER	8. WELL NAME and NUMBER: STATE OF UTAH #16-8-31-33D
2. NAME OF OPERATOR: XTO ENERGY INC.	9. API NUMBER: 4301530718
3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410	PHONE NUMBER: (505) 333-3100
	10. FIELD AND POOL, OR WILDCAT: Ferron Sandstone/Buzzard Bench

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1147' FSL & 1873' FWL — COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 31 16S 8E — STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
_____	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: APD EXTENSION
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy Inc. is requesting an APD extension for the above well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-02-08

By: [signature]

NAME (PLEASE PRINT) KELLY K. SMALL — TITLE Regulatory Compliance Tech

SIGNATURE [signature] — DATE 8/29/2008

(This space for State use only)

COPY SENT TO OPERATOR
Date: 9.3.2008
Initials: KS

(5/2000) (See Instructions on Reverse Side)

RECEIVED
SEP 0 2 2008
DIV. OF OIL, GAS & MINING

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4301530718
Well Name: State of Utah 16-8-31-33D
Location: 1147' FSL x 1873' FWL in Sec 31, T16S, R8E, NENW
Company Permit Issued to: XTO Energy, Inc.
Date Original Permit Issued: 9/4/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐No☑

Has the approved source of water for drilling changed? Yes☐No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐No☑

Is bonding still in place, which covers this proposed well? Yes☑No☐

Kelly K Small
Signature

8/29/2008
Date

Title: Regulatory Compliance

Representing: XTO Energy, Inc.

RECEIVED
SEP 02 2008
DIV. OF OIL, GAS & MINING

API Well No: 43015307180000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-48229

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: HUNTINGTON CBM

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: ST OF UT 16-8-31-33D

2. NAME OF OPERATOR: XTO ENERGY INC

9. API NUMBER: 43015307180000

3. ADDRESS OF OPERATOR: 382 Road 3100 , Aztec, NM, 87410 **PHONE NUMBER:** 505 333-3159 Ext

9. FIELD and POOL or WILDCAT: BUZZARD BENCH

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1147 FSL 1873 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 31 Township: 16.0S Range: 08.0E Meridian: S

COUNTY: EMERY

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 9/2/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO hereby requests a one year State extension on the permit for the referenced well.

Approved by the Utah Division of Oil, Gas and Mining

Date: August 13, 2009

By: Dustin Doucet

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Eden Fine	505 333-3664	Permitting Clerk
SIGNATURE N/A		**DATE** 8/11/2009

RECEIVED August 11, 2009

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43015307180000

API: 43015307180000
Well Name: ST OF UT 16-8-31-33D
Location: 1147 FSL 1873 FWL QTR SESW SEC 31 TWNP 160S RNG 080E MER S
Company Permit Issued to: XTO ENERGY INC
Date Original Permit Issued: 9/4/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Eden Fine **Date:** 8/11/2009
Title: Permitting Clerk **Representing:** XTO ENERGY INC

Date: August 13, 2009
By:

RECEIVED August 11, 2009

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

September 13, 2010

XTO Energy Inc.
382 Road 3100
Aztec, NM 87410

Re: APD Rescinded – State of Utah 16-8-31-33D, Sec. 31, T. 16S, R. 8E
Emery County, Utah API No. 43-015-30718

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 4, 2007. On September 2, 2008 and August 13, 2009, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 13, 2010.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING